

# Realty Trust Review

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## LOWER INTEREST RATES WILL HELP ONLY A FEW TRUSTS

The big downward leg in short-term interest rates that saw two markdowns in the prime rate within nine days will help some of the mortgage trusts--but not all. Big beneficiaries will be those with already established and effective bank lines. The mortgage trust grand-daddies, *Continental* and *First Mortgage*, should get the biggest lift as their borrowing costs decline while portfolio yields remain relatively high as existing commitments are worked off. Mortgage banker and commercial banks trusts should also be aided by their long-standing bank relationships. Trusts which are essentially unleveraged and especially those with part of their assets frozen into sour loans will find the going tougher. The effects of tight money are still afflicting large segments of industry and problem loans still could surface in unexpected places, so we counsel staying with trusts with proven records and ability to generate a large volume of loan applications from which to choose.

Short-term rates may fall another 100 basis points and long-term rates may soften by 50-100 basis points by next spring, but no more as long as inflation continues to erode long-term values. After that we expect some upturn in rates as the Administration's avowed expansionary policies take hold. For these reasons we regard shares of major trusts as a rewarding commitment now, despite recent willingness of institutional holders to dispose of large blocks. *First* and *Midland* have been hit by block selling by recent weeks and two blocks totaling 170,000 shares pushed *Chase Manhattan Trust* to record weekly volume in our tallies (page 6). About \$6.4 million worth of Chase shares changed hands, or about 59% of weekly volume of \$10.9 million.

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## TRUST WARRANTS: MOST OF THAT LEVERAGE IS A MIRAGE

On the surface, trust warrants constitute the greatest single class of speculative bargains around. The typical warrant speculator looks for a leverage factor of 2-to-1, or a warrant that is priced at one-half the price of its companion stock. In theory, a 50% upmove in the stock will then result in a 100% gain in the warrant, assuming the premium purchasers are willing to pay for the warrant remains fairly constant.

Among the over two dozen trust warrants now traded, leverage ratios of 4-to-1 and more are the rule. Here is a complete listing, which also shows the conversion premium for each warrant on recent prices:

Warrant	Stock	Wt.	Ratio	Prem.	Warrant	Stock	Wt.	Ratio	Prem.
Amer.Fletch.-ASE	23.50	3.75	6.3-1	22%	First Mtg.	23.25	10.88	2.1-1	-5
Atico Mtg.-ASE	13.50	3.38	4.0-1	36	First Penn.- $\frac{1}{2}$ sh.	17.50	2.00	4.4-1	37
Barnett Mtg.	14.63	2.75	5.3-1	56	Midland Mtg.	11.00	2.75	4.0-1	39
Benef. Std.	17.00	2.75	6.2-1	34	Mob.Hm.Comm.	6.75	2.75	2.5-1	89
Cam.-Brown	18.50	2.75	6.7-1	50	M&T Mtg.	9.50	2.00	4.8-1	58
Capital Mtg.	17.00	2.88	5.9-1	35	Mtg.Inv. Gp.	18.25	5.63	3.2-1	40
Citinat. Dev.	17.13	2.88	5.9-1	34	Mtg.Inv.Wash.	11.00	1.63	6.7-1	51
Citizens Mtg.	10.63	2.25	4.7-1	62	Mtg.Tr. Am.	18.25	3.25	5.6-1	22
Cit. & So. Mtg.- $\frac{1}{2}$ sh	19.13	2.38	4.0-1	29	No. Am. Mtg.	20.75	5.25	4.0-1	41
City Inv. Mtg. A	14.38	2.38	6.0-1	56	Repub.Mtg.-ASE	16.25	3.88	4.2-1	47
City Inv. Mtg. B	14.38	1.63	8.8-1	50	Tri-South- $\frac{1}{2}$ sh.	18.00	2.00	4.5-1	33
First of Denver	15.88	3.38	4.7-1	47	Union.Mtg.-ASE	17.13	3.00	5.7-1	34
Fidelco	19.25	4.50	4.3-1	53	Wells Fargo- $\frac{1}{2}$ sh.	15.75	1.88	4.2-1	51

The big leverage ratios appear to be attracting more and more speculative interest, and volume in listed trust warrants has been heating up in recent weeks. In many cases warrant volume now exceeds that for listed shares. Atico Mortgage warrants, the most heavily traded, have been averaging 45,000 shares turnover in recent weeks and the other three listed warrants--American Fletcher Mortgage, Republic Mortgage, and Unionamerica Mortgage and Equity--have been averaging about 10,000 trades weekly. Should you bite?

Shrinking premiums. We strongly advise in the negative except in a few special instances. The history of trust warrants has been one of shrinking premiums, or the excess a warrant purchaser pays for the warrant instead of buying the shares directly. For instance, the American Fletcher warrant shown above is exercisable at \$25, so the purchaser at \$3.75 is in effect paying \$28.75 for shares he could buy in the open market for \$23.50--or a 22% premium of \$5.25.

As the table above shows, trust warrants generally change hands at premiums from 25% to 60%--a range not much different than premiums for warrants of industrial companies. Last April our booklet, "Audit Guide to Investing in Realty Trusts," advised against trust warrants because our study of the warrant with the longest life--First Mortgage Investors' \$11.25 warrant of 1977--showed a history of fading premiums. The premium on the FMI warrant quickly faded after its appearance in 1968 and has generally ranged from a 3% premium to a 5% negative premium in REALTY TRUST REVIEW's monthly tabulations.

A careful study of the price history of second generation trust warrants suggests they are slipping the same way, although they are approaching parity much more slowly than the FMI warrants. Excluding FMI, premium on 16 older warrants has fallen from 58.6% on average early last May to 42.9% last month and 44.5% in our



latest survey. Charts of seven of these older warrants (below) show this trend.

Two contrary forces appear to be working: the natural downward thrust of warrants toward parity is being deterred by the fact that a good many of the trusts are selling below conversion price, hence have no intrinsic value. In situations like this, warrants commonly sell on sheer hopes and seldom fall below \$1 per warrant. This fact appears to be putting a fairly solid floor below the prices of warrants like City Investing Mortgage's B warrant (price 1 5/8) and others like Citizens, First Pennsylvania, M&T, and Wells Fargo Mortgage, all slightly over \$2.

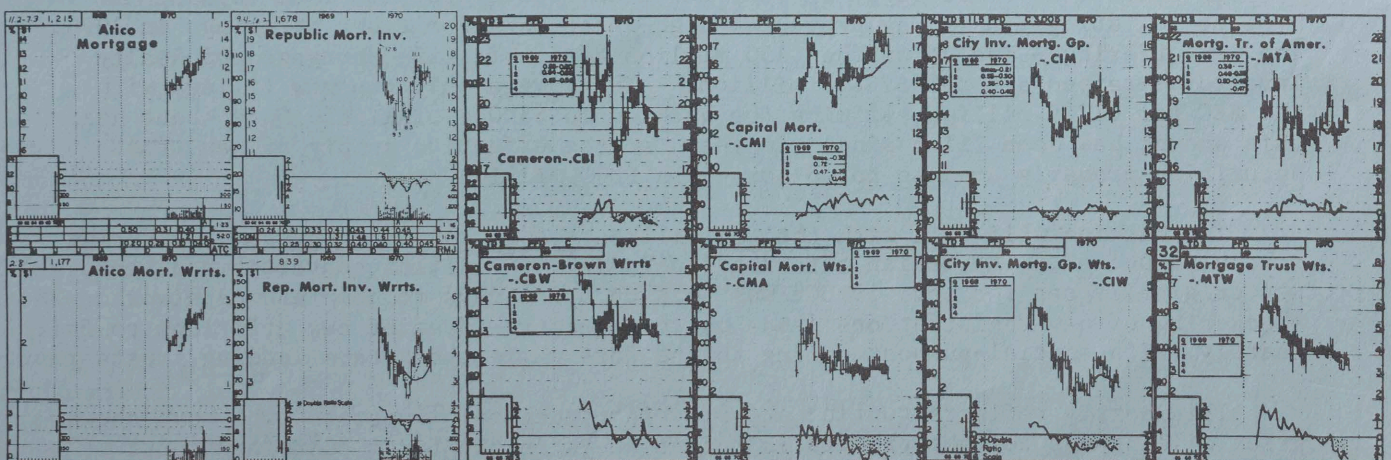
The downward pressure on trust warrant premiums is due to the exceptionally high dividend purchasers must give up to hold the warrants. For industrial warrants, most issuers pay fairly small dividends and thus the dividend give-up is small. With many trust shares yielding in the 8%-10% range, the penalties for holding are sizeable. Trust warrants come into being as a sweetener to investors to purchase the initial offering, and make sense for the trust because they make a second underwriting unnecessary.

FMI's warrant: a class by itself. Although downside risk appears slight in some of the second generation warrants, the risk/reward ratio still appears unfavorable in almost all instances except the First Mortgage Investors \$11.25 warrants exercisable through Dec. 15, 1977. As with any other warrant, its underlying value is in the stock. With its recently completed \$16 million financing of 9% senior debentures, FMI has opened the door to obtaining the funds it needs for future growth without giving up equity kickers.

Several points about the financing, completed Oct. 29, deserve note. This was the first issue of A-rated straight debt ever offered by any mortgage trust. Second, the indenture is still open so that future private placements of the issue can be made. With the debentures trading at 101 on the NYSE, vs. a net 97½ on the offering, such financing would be very favorable. The debentures are the first mortgage trust debt to carry a floating interest rate; their stated rate of 9% will shift to 1% above New York prime after May 1, 1975.

Beyond this financing, FMI increasingly is showing the capability of financing its growth through an expanding commercial paper operation. Following the Penn Central bankruptcy, FMI began moving into shorter maturities and currently has its \$83 million paper on a 29-day average maturity. The trust has benefitted from the recent plummeting in short-term rates and FMI pays an average 6.91% on its paper.

Charts courtesy R. W. Mansfield Co.





## FIRST MORTGAGE INVESTORS STATISTICS

Fiscal years ended January

	'70	E'71	E'72
Gross rev.-Mil.\$	\$14.2	E\$23.5	E\$29-31.0
Net inc.-Mil.\$	3.9	E 8.2	E 10.5-11.5
Earn. per share	1.40	2.03	2.55-\$2.65
-Fully diluted	1.12	1.73-75	\$2.25-2.40

Recent price-NYSE: \$23.25

Price/earnings ratio 11.5 9.0

-Fully diluted 13.3 9.7-10.3

Interim: \$1.45 (\$1.23 dil.)/sh. in 9 mo.Oct.

Shares: 3,852,709 (7,228,103 diluted)

ity to originate loans and manage its debt portfolio. As the oldest mortgage trust, FMI has gathered an experienced management team and is ideally suited to move ahead in a difficult period.

Despite some recent softening in industry loan demand, FMI has been able to hold its yield requirements at about 12-12½% for construction loans (recent average: 12:2%) and slightly higher on land development loans (average 12.7% recently). Backlog of unfunded loan commitments amounts to \$102 million, and the trust is originating loans at a \$90-\$100 million rate quarterly. In the current environment of softer loan demand, we think it is advisable to stay with a trust with both proven abil-

During the 1966-67 swing in interest rates, both First and Continental (the only major trusts operating then) benefitted from lower rates as portfolio yields stayed high while borrowing costs moved sharply lower. With its major block of commercial paper now, FMI is in a position to widen its spread even further in near-term quarters. We estimate earnings for fiscal 1971, ending January, in the \$2.03-\$2.05 range (\$1.73-\$1.75 fully diluted) vs. \$1.40. Dividends will approximate \$1.80-\$1.85 for the year. We doubt that this gain of about 45% in primary earnings per share can be duplicated in fiscal 1972 but a gain of about 25%-30% appears fairly well assured by the widening spread and commitments on the book. The stock's P/E multiple may benefit a little from lower interest rates and we believe the stock can move to the \$30-\$32 range in the next six to 12 months.

The warrants should move in tandem, giving a near-term price objective of \$18 to \$20 for the warrants from current prices near 11. The possible 65%-75% capital gain here makes the warrant slightly more attractive than the stock, which could show a 30%-35% capital gain plus 10% dividends. The warrants get our nod for speculative purchasers.

## TRUST BACKLOG MELTING IN FACE OF CONTINUED TAUT MARKETS

An October-November surge of four new trust offerings plus fund raising by four existing trusts may prove the high-water mark for trust offerings in 1970. The new offerings--including the \$150 million Equitable Life Mortgage and Realty Investors--raised a total \$254.7 million. There were only two new filings with the SEC for \$17.5 million, slicing the backlog to \$580.4 million. Only about half this amount has been filed since mid-year, so the effective supply of new trust securities probably amounts to no more than \$300 million now.

The backlog will fall with the \$51 million Median Mortgage Investors offering scheduled Dec. 3. The Median offering (including \$34 million convertible debentures) was originally set for Nov. 19 but was held up a few days to complete paperwork. The slackening of new registrations leads us to expect the pace of new offerings to fall sharply, with special-purpose coming to the fore while short-term lending trusts rest.

This partly reflects cooling ardor by institutional investors, who have shown great willingness to take profits in recent weeks in the first sustained burst of block trading in trust shares (see p. 6). In a speech to the Mortgage Bankers Assn. convention Oct. 27, your editor expressed fear that the ability of new trusts



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Date	Trust	Offering	-Gross (mil.\$)-			
			Price	Equity	Debt	Total
10/23	Old Stone Mtg. & Realty	440,000 sh.	\$12.50	5.5	-----	\$ 5.5
10/29	Equitable Life Mtg. & Rl.	750,000 un. of 4 sh. & \$100 deb.	200	75.0	75.0*	150.0
11/19	Tri-South Mtg. Inv.	1,375,000 un. of 1 sh. & 1/2 wt.	20	27.5	-----	27.5
11/24	First Memphis Rlt. Tr.	1,037,500 un. of 1 sh. & 1 wt.	20#	20.7	-----	20.7
TOTALS			\$128.7	\$75.0		\$203.7

\*6 3/4% deben. due 1990, convertible at \$26.25. #Incl. 37,500 sh. @ \$18.25.

First Memphis Realty Trust, Affiliated with First National Bank of Memphis, will stress long-term mortgages. Underwriters: Loeb, Rhoades; White, Weld; J.C. Bradford. Henry H. Haizlip Jr. is president. Address: 28 State St. Boston 02110.

Old Stone Mortgage and Realty Trust is sponsored by Old Stone Savings Bank, a Providence, R.I. savings bank that also owns a commercial bank and has combined assets of \$493 million. The trust will invest in long-term mortgages and in equity investments. Initial investments of \$3.35 million were to yield a composite of 10.73%. Underwriter: G.H. Walker. Officers: Frank A. Strom, Managing Trustee. Address: 86 S. Main St., Providence, R.I.

Equitable Life Mortgage and Realty Investors is sponsored by the third largest life insurance company in the U.S. with \$14 billion assets. The trust will stress long-term mortgages and equity investments, and some construction loans. Initial investments of \$134.1 million were to yield a composite 10.85% and were divided \$39.4 million long term loans (at 10.38%), \$5.8 million of equity investments (at 11.37%), \$44.2 million short-term construction loans (12.07%) and \$44.8 million of long-term loans with short remaining maturities. Underwriter: Goldman, Sachs. Officers: Thomas F. Murray, Chairman. Address: 1285 Avenue of the Americas, New York 10020.

Tri-South Mortgage Investors is sponsored by a trio of commercial banks, First and Merchants National of Richmond, First National Bank of Atlanta, and North Carolina National Bank of Charlotte. The trust seeks short-term construction loans primarily but will make other investments. Initial holdings were to yield an estimated 11.1%. Underwriter: Eastman Dillion, Union Securities; Wheat & Co. Officers: Claude R. Davenport Jr., President. Office: 3 Peachtree St., N.W., Atlanta.

Aside from the First Mortgage offering of straight debt (see above), new offerings by existing trusts were on the unusual side. Great American Mortgage Investors achieved one of the most favorable financings of recent months. GAMI sold \$26 million of 7 3/4% debentures convertible at \$40, the package also containing warrants to purchase 104,000 shares at \$40. Since GAMI's book value is \$20.68 (or \$25.99 million on 1,257,000 shares), full conversion would effectively double shareholder's equity to \$52 million and raise book value to about \$27.26 per share. Exercise of the warrants would boost this to about \$27.90 per share.

On the other hand, the General Mortgage Investments offer of \$5 million of 8% debentures convertible at \$10.50 plus warrants to buy 150,000 shares at \$11.75 appears to be the first involving dilution. GMI's book value of about \$13.85 per share (on 1,000,000 shares) would be reduced to about \$12.77 per share upon full conversion, and exercise of warrants would ease this bit more to \$12.67. GMI holds a \$1.38 million participation (5.8% of its portfolio) in a Seattle apartment house now in foreclosure proceedings. The trust is seeking ASE listing. Capital Mortgage sold \$4 million of 9 1/4% notes due Nov. 15, 1972.



## INDUSTRY NEWS NOTES: NEW LOOK AT COMMERCIAL BANK CONSTRUCTION LENDING

Banks have long been assumed to dominate the construction lending market but information on their lending has generally been submerged in banking data. Now the Federal Reserve Bank of Boston estimates commercial bank construction lending at \$10 billion for 1968. The estimate is based upon a major new study by Peter A. Schulkin, a bank economist, in his Ph.D. dissertation at Harvard University and published by the bank. Schulkin bases his findings upon interviews with both larger and smaller banks, including contacts with 22 of the nation's 24 largest banks. Banks with over \$500 million deposits appear to commit about 2.05% of deposits to construction loans, vs. 1.10% for smaller banks. Schulkin further estimates total construction lending at \$19.3 to \$26.0 billion in 1968, the upper number coinciding with our estimates in "Mortgage Trusts: Lenders With a Plus." Schulkin's estimates are being read bearishly by some in Wall Street, but in view of the great volume of bank C&D lending now being channeled into bank-related trusts, we cannot share this pessimism. "Commercial-Bank Construction Lending, Research Report 47, and a summary in New England Economic Review, July/August, are available from the Federal Reserve Bank of Boston, 30 Pearl Street, Boston 02106.

Great American Mortgage Investors has asked for an IRS ruling on whether some \$120,000 it received before disbursement of loan funds constitutes qualifying interest under the IRS code. The funds are variously referred to in loan documents as "prepaid interest," "commitment fee" or "good faith deposit." The trust's tax counsel believes there are controlling precedents in its favor, but GAMI's prospectus notes that an adverse ruling would expose the trust to taxes of about \$1.25 million, or \$1.00/share. The GAMI request underscores the "atom bomb" impact of even minor deviations from the IRS rules, a problem the industry hopes to have corrected through legislation next year.

## MOST ACTIVE LISTED TRUSTS

Trust	Sh.(00)	Close	Chng.	Trust	Sh.(00)	Close	Chng.
Week of Oct. 23							
Diver.Mtg.	553	21 1/8	+ 1/8	Diver.Mtg.	457	21 5/8	+1 5/8
Chase Man.Tr.	514	30	+ 1/4	Cont.Mtg.	436	17 7/8	+1 3/8
Conn.Gen.Mtg.	513	22	+ 1/8	Avg.closing price: \$20.60			
MONY Mtg.	266	9 3/8	- 1/8	Week of Nov. 13			
Atico Mtg.wt.	218	2 3/4	+ 1/4	Midland Mtg.	879	10 5/8	- 3/4
Avg.closing price: \$17.05				Chase Man.Tr.	734	31 1/2	+ 1/8
Week of Oct. 30				Diver. Mtg.	533	21 5/8	----
Diver.Mtg.	682	20	-1 1/8	Atico Mtg. wts.	475	3 1/8	+ 3/8
MONY Mtg.	457	9 5/8	+ 1/4	First Mtg.	433	21 5/8	- 1/4
Cont. Mtg.	373	16 1/2	+ 3/8	Avg.closing price: \$17.70			
Chase Man.Tr.	278	29 3/4	- 1/4	Week of Nov. 20			
Conn.Gen.	269	22	---	Chase Man.Tr.	2,214	28 7/8	-2 5/8
Avg.closing price: \$19.58				Prudent Res.	487	8 3/8	-1 5/8
Week of Nov.				First Mtg.	450	23 1/4	+1 5/8
First Mtg.	1,021	21 7/8	- 7/8	Atico Mtg. wts.	435	3 3/8	+ 1/4
No.Am.Mtg.	592	21 5/8	- 3/8	Diver. Mtg.	386	20 3/8	-1 1/4
Mtg.Inv.Gp.	462	20	+ 1/8	Avg.closing price: \$16.85			

## WEEKLY TRADING TRENDS IN LISTED SHARES AND WARRANTS

Weekly change	--Oct. 23--	--Oct. 30--	-Nov. 6--	-Nov. 13-	--Nov. 20--	5-week tot.						
#	Sh. (00)	#	Sh. (00)	#	Sh. (00)	#	Sh. (00)	#	Sh. (00)	Sh. (00)	%	
Advances	14	2,848	13	1,926	15	2,928	10	2,480	14	2,489	12,671	43.4
Declines	15	1,545	15	2,304	13	2,636	21	3,401	17	4,437	14,323	49.1
No chng.	2	175	4	676	6	368	3	652	4	320	2,191	7.5
TOTALS..	31	4,568	32	4,906	34	5,933	34	6,533	35	7,246	29,185	100.0
Avg.cl.price	\$15.13		\$15.14		\$15.21		\$15.10		\$15.10			



November 25, 1970

November 25, 1970		Share	Book	-Dividend-	-Latest earnings	Cash	Price	%	P/E	7	Est.
Trust-Quoted		(000)	Val.	Last Ann*	Period	EPS Ann*	Flow+	11/20	Change	Ratio*	Yield*
Equity and combination investment trusts											
Am.Realty-ASE	Wash	983	6.63	0.15 0.60	Sept.Y	0.51 1.35		7.50	+ 3.4	f 5.6	8.0
Amico Prop-OTC	LA	1,679	4.53	---- 0.45	July Q	0.10 0.40 0.56		5.63	+12.6	f10.1	8.0
Denver REI-WSJ	Den	1,091	9.77	0.15 0.65z	Sept9M	0.44 0.53 1.18b		9.25	+10.6	f 7.8	6.5
First Union-ASE	Cleve	3,573	9.32	0.22 0.88	July Q	0.16 0.64 0.90m		10.00	- 4.8	f11.1	8.8
Franklin Rlt-ASE	Phil	945	10.72	0.19 0.76	June Y	---- 0.66 0.77		9.88	- 2.5	f12.8	7.7
Genl. Growth-OTC	Des	2,357	e7.19	Offered 9/29/70	at \$13.75			15.00	+ 8.1	----	---
Goodrich Inv-OTC	NY	1,211	9.43	0.15s 0.90	Sept.Q	0.24 0.96 1.04		7.88	0.0	f 7.6	11.4
Gould Inv.Tr-WSJ	NY	1,323	8.24		Mar. H	---- 0.96	X	5.00	0.0	f 5.2	---
Greenfield RE-WSJ	Phil	498	14.94	0.40 1.60	Apr. H	0.53 1.06 2.02		15.75	-16.0	f 7.8	10.2
Hubbard REI-NYSE	NY	4,004	23.22	0.36 1.44	July Q	0.45 1.80 ----		20.38	- 0.6	11.3	7.1
Kavanau RE-ASE	NY	1,553	3.94	Div.omitted	Sept.9M	0.25d -- 0.77		6.50	-21.2	f 8.4	---
Mobile Hm.Com-OTC	Den	1,063	9.37	---- 0.47	Aug. Y	---- 0.42 0.73		6.75	-10.0	f 9.2	7.0
Mutual REIT-WSJ	NY	1,433	6.76	New div.def	June Y	----d0.08 0.11		2.00	0.0	f18.2	---
Nat.Realty-ASE	Boz	1,271	11.81	0.20 0.80	Sept.Q	0.09 0.36 0.88		9.13	- 5.2	10.4	8.8
Penn REIT-ASE	Phil	1,122	8.36	0.40 0.80	May Q	0.80 1.08 1.11m		11.25	- 3.3	f10.1	7.1
Prudent Res.ASE	NY	3,006	4.75	Div. Susp.	Aug.9M	0.16 0.21 0.80m		8.38	-21.2	f10.5	---
REIT AM-ASE	Boz	1,567	21.61	0.33 1.32	Aug. Q	0.34 1.36 1.46m		22.00	+ 4.1	f15.1	6.0
Realty Inc.Tr-ASE	Phil	1,216	14.20	0.25 1.00	July Q	0.31 1.24 ----	X	11.13	- 4.2	9.0	9.0
Riviere Rlty-OTC	Wash	783	9.26	0.22 0.88	Dec. Y	---- 0.57 0.79		7.50	- 9.1	f 9.5	11.7
Saul(B.F.)-WSJ	Wash	3,530	10.53	0.30z 1.20	June Q	0.23 0.92 ----	X	13.88	+ 7.2	15.1	8.6
Universal-OTC		1,000	4.47	Div. Susp.	June H	0.03 0.06 ----		2.00	-20.0	33.3	---
U.S.Realty-ASE	Cleve	2,461	9.96	0.35z 1.40	Sept.Q	0.26 1.02 1.60		16.63	- 0.7	f10.4	8.4
Washington Rl-WSJ	Wash	765	8.35	0.20 0.80	June Q	0.53 ---- 1.06		9.25	0.0	f 8.7	8.6
Mortgage trusts--Independent											
Assoc.Mtg-ASE	Miami	945	21.71	0.55 2.20	Sept.Q	0.77a3.08a----	X	26.38	- 5.5	8.6	8.3
Cont.Mtg-NYSE	Boz	13,264	3.00	0.23 0.92	Sept.Q	0.26 1.04 ----		18.25	+13.1	17.5	5.0
Cousins Mtg-OTC	Phil	2,135e	18.21	Offered 8/12/70	at \$20			18.13	- 5.8	----	---
Diver.Mtg-NYSE	Boz	6,329	19.47	0.42 1.68	Sept.Q	0.47a1.88a----		20.38	- 1.2	10.8	8.2
First Mtg-NYSE	Boz	3,853	13.01	0.51 2.04	Oct.Q	0.46a1.84a----		23.25	+ 2.7	12.6	8.8
Genl Mtg-WSJ	Balt.	1,000	13.85	0.29 1.16	Sept.Q	0.29 1.16 ----		9.75	-17.0	8.4	11.9
Mtg. Inv.Wash-WSJ	Wash	1,016	13.87	0.30 1.20	Sept.Q	0.34 1.36 ----		11.00	-15.4	8.3	10.9
Nat.Mtg.Fd-WSJ	Cleve	663	9.15	0.27 1.08	Aug. Q	0.25a1.00a----		9.25	+ 2.8	9.3	11.7
Repub.Mtg-ASE	Miami	1,678	18.39	0.45 1.80	Sept.Q	0.45 1.80 ----	X	16.25	+ 2.8	9.0	11.1
Western MI-WSJ	Boz	1,000	9.02	0.14 0.56	Aug. Q	0.16 0.64 ----		5.75	- 6.2	9.0	9.7
Mortgage trusts--Mortgage banker affiliated											
Alison Mtg-ASE	LA	935	18.11	0.51 2.04	Oct. Q	0.45 1.80 ----		17.75	+ 6.7	9.9	11.5
Atico Mtg-ASE	Miami	1,182	13.66	0.40 1.60	Oct. Q	0.40 1.60 ----		13.50	+10.2	8.4	11.9
Capital Mtg-WSJ	Wash	1,000	18.21	0.45 1.80	Sept.Q	0.47 1.88 ----	X	17.00	- 1.7	9.0	10.6
Citizens Mtg-WSJ	Phil	1,407	14.07	0.27 1.08	Sept.Q	0.28 1.12 ----	X	10.63	+ 0.2	9.5	10.2
Colwell Mtg-WSJ	LA	905	18.60	0.46 1.84	Sept.Q	0.50 2.00 ----		20.50	+ 9.3	10.3	9.0
Fraser Mtg-WSJ	Cleve	1,038	17.00	0.56 2.24	Aug. Q	0.56 2.24 ----		23.00	- 3.2	10.3	9.7
Galbreath-WSJ	Cleve	700	22.86	0.60 2.40	Sept.Q	0.62 2.48 ----		24.50	- 4.9	9.9	9.8
Guardian MI-ASE	Phil	1,271	24.04	0.72 2.88	Aug. Q	0.71a2.84a----		25.88	+ 3.5	9.1	11.1
Larwin MI-WSJ	LA	2,005	18.73	0.44 1.76	Sept.Q	0.46 1.84 ----		17.25	- 3.5	9.4	10.2
Lomas & Net-WSJ	Phil	1,840	23.10	0.68 2.72	Sept.Q	0.68 2.72 ----	X	27.00	- 2.0	9.9	10.1
Midland Mtg-ASE	Phil	1,640	11.71	0.34 1.36	Sept.Q	0.35 1.40 ----		11.00	-12.0	7.9	12.4
M&T Mtg.Inv-OTC	Haus	773e	9.92	Offered 8/4/70	with two wts.at \$11						
No.Am.Mtg-ASE	NY	3,903	13.39	0.48 1.92	Sept.Q	0.48 1.92 ----	X	20.75	- 3.5	10.8	9.3
Palomar Mtg-WSJ	SD	604	23.57	0.63 2.52	Aug. Q	0.68 2.72 ----		26.00	+11.8	9.6	9.7
Sutro Mtg-ASE	LA	1,734	14.65	0.375 1.50	Sept.Q	0.40 1.60 ----		16.00	0.0	10.0	9.4
Mortgage trusts--Commercial bank affiliated											
Am. Fletcher-ASE	Phil	540	23.29	0.58 2.32	July Q	0.59 2.36 ----	X	23.50	+12.0	10.0	9.9
BT Mtg.Inv-OTC	NY	608e	23.48	Offered 10/1/70	at \$25(adj.)----			24.75	- 2.0	----	---
BankAmer.-WSJ	SE	2,560e	18.33		Oct.Q	0.40i1.60i----		20.35	- 1.8	12.7	---
Barnett Mtg-WSJ	Phil	1,275	18.40	0.35 1.40	Sept.Q	0.38 1.52 ----	X	14.63	- 1.8	9.6	9.9
Cam.Brown-WSJ	Phil	1,750	23.67	0.52 2.08	Sept.Q	0.55 2.20 ----	X	18.50	- 3.1	8.4	11.2
Tri South Mtg-OTC	Phil	1,385	18.12	Offered 11/19/70	@ \$20 with wt.for 1/2sh.@ \$20.						
Chase Man.Mtg-NYSE	NY	2,802	24.14	0.43i 1.72i	Aug. Q	0.38ai1.52ai		28.88	-3.3	19.0	6.0
Citinat.Dev-OTC	LA	600	18.67	0.35 1.40	Sept.Q	0.37 1.48 ----		17.13	+7.9	11.6	8.2



Trust-Quoted	Share Book (000) Val.	-Dividend- Last Ann*	-Latest earnings Period	Cash EPS Ann*	Price Flow+	% 11/20	P/E Change	Est. Ratio*	Yield*
Citizens & Sou. OTC	2,510e18.21	Offered	9/29/70	with wt. for 1/2 sh. @ \$20	19.13	+4.1	---	---	---
Fidelco Growth-OTC	864e21.94	Offered	8/28/70	with 1/2 wt. @ \$25	NA	---	---	---	---
First of Denver-OTC	1,510e18.09	Offered	10/6/70	with 1 wt. at \$20	15.88	-3.1	---	---	---
First Penn Mtg-OTC	1,610e18.15	Offered	7/22/70	at \$20 incl. 1/2 wt.	17.50	-2.8	---	---	---
Mtg. Inv. Gp.-NYSE	2,480 18.45	0.50 2.00	Sept. Q 0.52 2.08	----	x18.25	-8.0	8.8	11.0	
Unionam MI-ASE	1,255 18.70	0.38 1.52	Aug. Q 0.38 1.52	----	17.13	+4.6	11.3	8.9	
Wachovia RI-WSJ	3,335 18.81	0.50 2.00	Aug. Q 0.50 2.00	----	20.50	0.0	10.3	9.8	
Wells Fargo-WSJ	3,760 18.22	Offered	6/30/70	with wt. for 1/2 sh. at \$20	15.75	-3.8	---	---	---

Mortgages (primarily long-term)-Life insurance co. affiliated

Am. Cent. Mtg.-ASE	1,488 18.93	0.57 2.28	Sept. Q 0.55 2.20	----	19.88	+8.9	9.0	11.5	
Benef. Std. Mt.-WSJ	760e18.22	0.40 1.60	Oct. Q 0.41 1.64	----	17.00	+1.5	10.4	9.4	
Conn. Gen. Mtg.-NYSE	3,751 19.29	0.36 1.44	Sept. Q 0.41 1.64	----	22.25	+3.5	13.6	6.5	
Equit. Life Mtg-OTC	3,008e22.35	Offered	10/29/70	@ \$25 (adj.)	27.13	---	---	---	
Fidelity Mtg-ASE	2,005 18.97	0.45 1.80	July Q 0.60 2.40	----	20.00	+5.3	8.3	9.0	
Mass. Mutual-OTC	2,510e18.89	Offered	10/6/70	at \$20 (adj.)	19.63	-1.3	---	---	
MONY Mtg. INV.-NYSE	5,020 9.18	0.21 0.84	Aug. Q 0.21 0.84	----	9.5	-1.3	11.3	8.8	

Mortgage trusts--Misc. financial inst. affiliated

City Inv-WSJ	3,405 18.83	0.40 1.60	Oct. Q 0.40 1.60	----	x14.38	+0.9	9.0	11.1	
Grt. Am. Mtg-WSJ	1,257 20.78	0.25 3.00	Oct. Q 0.73 2.92	----	x38.00	+0.7	13.0	7.9	
Hotel Inv-OTC	760 17.98	Offered	8/12/70	at \$20 (adj.)	18.00	-5.3	---	---	
Lincoln MI-WSJ	1,110 8.89	0.16 0.64	Sept. Q 0.17 0.68	----	7.63	+1.7	11.2	8.4	
Medical Mtg-WSJ	1,345 24.12	0.60 2.40	Sept. Q 0.60 2.40	----	21.75	+4.8	10.5	11.0	
Mtg. Tr. Am. WSJ	3,175 19.14	0.47 1.88	Aug. Q 0.50 2.00	----	18.25	+2.1	9.1	10.3	
Old Stone Mtg-OTC	457e11.27	Offered	10/23/70	@ \$12.50	13.13	---	---	---	
Security Mtg-ASE	3,278 5.69	0.21 0.84	Sept. Q 0.21 0.84	----	x12.88	-6.5	15.3	6.5	

#### WARRANTS

#### Conv.

#### CONVERTIBLE DEBENTURES

#### Cur. Int.

Trust	Exercise terms	Price	Prem.	Issuer	Conv. @	Price	Yield	Cov. **
Amer. Fletcher-ASE	\$25 - 1/31/75	3.75	22%	Amer. Century 7s '90 (ASE)	21	94	7.45	3.71
Atico Mtg-ASE	15 - 12/31/74	3.38	36	Amer. Realty 7s 1984	13	72	9.72	1.31
Barnett Mtg.	20 - 4/ 1/80	2.75	56	Assoc. Mtg. 6 1/2s '83	22	110	5.91	3.31
Benef. Std. Mtg.	20 - 7/14/75	2.75	34	BT Mtg. Inv. 6 3/4 '90	26.25	94	7.18	NR
Cameron-Brown	25 - 11/15/76	2.75	50	Bank Amer. Mtg. 6 3/4s '90	21	96	7.03	NR
Capital Mtg.	20 - 11/25/74	2.88	35	Chase Man. (NYSE) 6 3/4 '90	26	109	6.19	NR
Cicinat. Dev.	20 - 4/15/75	2.88	34	Conn. Gen. (NYSE) 6 3/4 '90	22	98.5	6.85	1.73
Citizens Mtg.	15 - 12/10/74	2.25	62	Cont. Mtg. (NYSE) 6 1/4 '90	22	93	6.72	1.81
Citizens & Sou. 1/2 sh.	20 - 10/ 1/75	2.38	29	Diver. Mtg. 6 1/2s '89	23	86	7.56	8.00
City Inv. Mtg. (A)	20 - 12/ 1/74	2.38	56	Equitable 6 3/4 '90	26.25	103	6.55	NR
City Inv. Mtg. (B)	20 - 12/ 1/72	1.63	50	First Mtg. (NYSE) 6 3/4 '85	24	95	7.11	1.55
Fidelco	25 - 9/ 1/75	4.50	53	Frank RI. (ASE) 7s '89	10	98	7.14	f1.34
First Denver Mtg.	20 - 10/ 6/75	3.38	47	General Mtg. 8s '90	10.50	99.5	8.04	NR
First Mtg. Inv.	11 1/4 - 12/15/77	10.88	-5	Great Am. Mtg. 7 3/4 '90	40	98.25	7.89	NR
First Penn. 1/2 sh.	20 - 7/23/74	2.00	37	Guardian Mtg. (ASE) 8s '85	25	102.25	7.82	2.19
Midland Mtg.	12 1/2 - 9/30/74	2.75	39	Hotel Inv. 7 3/4s '90	21	83	9.34	NR
Mobile Hm. Comm.	10 - 8/26/74	2.75	89	Lincoln Mtg. 8s '90	11	81	9.88	2.16
M&T Mtg.	13 - 8/31/75	2.00	58	Mass Mutual 6 3/4 '90	21	96	7.03	NR
Mtg. Inv. Gp.	20 - 4/ 2/74	5.38	40	MONY Mtg. (NYSE) 7s '90	11	86.38	8.10	2.18
Mtg. Inv. Wash.	15 - 3/ 5/75	1.63	51	Mtg. Inv. Wash. 8s '90	15	91	8.79	2.91
Mtg. Tr. Am.	19 - 11/ 6/74	3.25	22	Pennsylvania 6 3/4 '84	14*	77	8.77	f1.29
No. Amer. Mtg.	24 - 12/ 2/74	5.25	41	Pennsylvania 6 1/4 '79	12 1/2	75	8.33	f1.29
Republic Mtg-ASE	20 - 6/30/74	3.88	47	US Rlty. (ASE) 5 3/4 '89	25.25	64.13	8.97	f2.12
Tri-South Mtg. 1/2 sh.	20 - 12/ 2/74	2.00	33					
Unionamer. Mtg-ASE	20 - 12/31/74	3.00	34					
Wells Fargo 1/2 sh.	20 - 7/ 1/74	1.88	51					

Earnings and dividends reported during the past month are underlined.

\*\*--Q-Quarter; H-Half-year. Dividends and earnings are annualized by appropriate multiplication of latest quarter without seasonal adjustment but are not guaranteed annual rates, since dividends depend upon earnings and are subject to change. +Operating income plus non-cash charges less mortgage amortization. a-Fully diluted. b-Before capital gains: Denver REIT, \$0.49; REIT America, \$0.67. d-Deficit. e-Estimated from prospectus. f-Based on cash flow as defined. i-Initial quarter, may be less than full 90 days. m-For latest fiscal year. NA or NR-Not available or not reported. s-Payable six times yearly. w-12 sh. of VTR, Inc., for each 100 shares. z-Plus extras: B.F. Saul 0.05 U.S. Realty 0.10 Medical Mtg. 0.10 Denver REIA, 0.15. Convertibles: \*Increases to \$17 on Feb. 14, 1973. \*\*Interest coverage, or ratio of earnings to interest expense.